

The CHAIRMAN: The amendment No. 1 disagreed to by the Assembly, and to which the Council proposed an alternative amendment is as follows:—

Clause 4, Subclause (1).—Before the word "subject," at the commencement of Subclause (1), insert "until the 30th day of June, 1932, but."

The alternative amendment made by the Council to its amendment No. 1, to which the Assembly disagreed is as follows:—

Clause 4, Subclause (1).—Before the word "subject," at the commencement of Subclause (1), insert "until the 31st day of December, 1932, but."

The MINISTER FOR WORKS: When the Bill was returned from another place, an amendment was made providing that it should cease to operate after the 30th June, 1932. From this it appeared that the new law would be considered only by one Parliament or session of Parliament. The alternative amendment, however, overcame this difficulty by extending the time from June, 1932, to the 31st of December, 1932. That being so, I move—

That the alternative amendment be agreed to

Question put and passed; the Council's alternative amendment agreed to.

Resolution reported, the report adopted and a message accordingly returned to the Council.

House adjourned at 4.13 a.m. (Wednesday).

Legislative Council,

Wednesday, 3rd December, 1930.

| | PAGE |
|--|------|
| Question: Gold mining, assistance | 2235 |
| Bills: Housing Trust, 3R. | 2235 |
| Land Act Amendment, 3R., passed | 2235 |
| Loan, £2,335,000, 2R. | 2235 |
| Appropriation, 2R. | 2236 |
| Hospital Fund, Com. | 2239 |

The PRESIDENT took the Chair at 4.30 p.m., and read prayers.

QUESTION—GOLD MINING ASSISTANCE.

Hon. E. H. HARRIS asked the Minister for Country Water Supplies: With regard to the £165,905 set aside in 1926 to assist gold mining from the Federal Disabilities Grant of which, on 28th October last, the Minister stated there remained a balance of £8,083, 18s. 9d.: 1, Is it the intention of the Government to utilise this money to further assist the industry? 2, If so, in what direction?

The MINISTER FOR COUNTRY WATER SUPPLIES replied: 1, Yes. 2, The balance of £8,083 18s. 9d. forms portions of an amount of £14,224, to which the Department is already committed for assistance under the Mining Development Act.

BILLS (2)—THIRD READING.

1, Housing Trust.

Returned to the Assembly with amendments.

2, Land Act Amendment.

Passed.

BILL—LOAN, £2,335,000.

Second Reading.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [4.37] in moving the second reading said: The Bill is required to provide authority for the Government to borrow money for expenditure on the works and services detailed in the First Schedule totalling £2,335,000, including the cost of raising, and for the re-appropriation of the amounts set forth in the Second and Third Schedules. Last year the amount authorised to be raised was £2,250,000 and, therefore, the totals in this and last year's Bills are small compared with the amounts in previous messages. The Bill authorises the raising of the money only, and the amount involved cannot be spent without the approval of Parliament on the Loan Estimates and the Appropriation Bill. Furthermore, the money proposed to be raised by this Bill can be spent only for the purposes set out in the First Schedule, unless, of course, re-appropriations similar to those suggested in

the Second and Third Schedules are agreed to by Parliament.

Members will note that with the exception of flotation expenses, the whole amount to be raised is to be used in connection with revenue-earning undertakings. In restricting the proposed expenditure to revenue producing works the Government are complying with the wishes of the Loan Council and observance of that requirement is necessary in our present circumstances. In regard to the items specified in the Bill, the item "Departmental," under the head of "Administration," represents the administrative charges on the various works. With one exception, the State is committed to the whole of the works listed, and when the money is to hand and the works can be started, the stringency of the unemployment situation will be lessened. The Kulja-Eastward railway has been completed and it is hoped that the Lake Grace-Karlgarin railway will be in a position to handle wheat from this season's harvest in the near future. Only improvements are to be carried out with the amount to be raised on account of the Fremantle Harbour Works, and nothing in the nature of the proposed extension of the harbour will be undertaken.

A pleasing feature of the Bill is that out of the total net raisings of £2,335,000, £1,450,000 is for the development of agriculture, leaving only £885,000, or, omitting flotation expenses, £785,000 for all other purposes. Of the £1,450,000 to be expended on the development of agriculture, £1,400,000 is for settlement purposes and will be under the control of the Agricultural Bank. The agricultural districts will also benefit by the construction of the railways listed, as they are for those districts, as is also the water supply item. Therefore, I am sure no serious fault will be found with the way in which the amount proposed to be raised under the Bill is to be spent. In the Second Schedule are set out the balances of authorisations that are at present not required as now appropriated, and they can therefore be used for other undertakings. The works to which it is proposed to transfer the balances in the Second Schedule are shown in the Third Schedule. With one or two exceptions, those works are reproductive and all but one of them have already been put in hand. The works in the Second Schedule from which the proposed

transfers are to be made, are either completed or are not likely to require the funds for some time. In some instances the loans under which the amounts in question were raised date back for some years and it is not desirable to carry authorisations over an unduly long period if they are not likely to be required. At the same time, it is not possible to clear off all balances of authorisations and to start afresh each year.

The largest individual authorisations affected are those for railway land resumptions, Perth and Fremantle, and the Leighton-Robbs Jetty railway. The re-appropriations do not mean that the works referred to are to be abandoned, but that for the present it is not possible to go on with them. Funds are much too scarce to permit of works of such magnitude to be undertaken, and money is likely to be quite as scarce for some time to come. The three railways referred to in the Second Schedule have been completed and further funds for them are not required. A perusal of the list in the Second Schedule will show that the remaining transfers are justified and need no explanation.

Apart from this Bill, the existing Loan authorisations on the 30th June last totalled £5,944,667. That money has been already authorised for specific purposes in previous Bills, and it should not be confused with the present application for additional authority for new works or for which previous authorisations are exhausted. I move—

That the Bill be now read a second time.

On motion by Hon. H. Seddon, debate adjourned.

BILL—APPROPRIATION.

Second Reading.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [4.45] in moving the second reading said: This Bill follows the same lines as in past years, and it covers the whole of the Government's expenditure with the exception of that provided for by special Acts, namely:—Revenue Estimates (exclusive of special Acts), £6,329,042; Sale of Government Property Trust Fund, £126,979; General Loan Fund, £2,438,295; Advance to Treasurer, £500,000. Those main

heads of expenditure total £9,394,316, and the Bill seeks to appropriate that amount for the purposes named. The two Supply Bills, which provided means to the end of October, totalled £2,700,000; so the balance requiring approval is £6,694,316. There are various schedules in the Bill, and in each of them the expenditure on account of the Revenue Estimates, the Trust Fund, General Loan Fund and Advance to Treasurer is fully set out. Schedule "A" gives details of the total amount to be authorised for the year both under this Bill and the Supply Bills. Schedule "B" shows the proposed expenditure of the Consolidated Revenue Fund, but it does not include the expenditure already authorised by special Acts. Schedule "C" deals with the appropriation of the Sale of Government Property Trust Account. Schedule "D" relates to the expenditure of the General Loan Fund, and Schedule "E" shows the appropriation of the Advance to Treasurer. Schedules "F," "G," and "H" cover the excess expenditure of last year on account of the Advance to Treasurer under Revenue, General Loan Fund and Trust Funds, respectively. Each schedule shows clearly the nature of the expenditure involved, and no further detailed explanation is necessary in respect to them. None of the schedules contains proposals out of the ordinary, and the majority of the individual amounts are not large.

Last year the revenue expenditure, exclusive of special Acts, was £6,506,075, and this year it is expected to be £6,329,042, or a reduction of £177,033. From the revenue expenditure for this year must also be deducted the total savings under the Salaries Tax Bill if that measure becomes law. The loan expenditure for this year is estimated at £2,438,295, compared with last year's expenditure of £3,693,052. Therefore this year less loan money to the extent of £1,254,757 will be spent. There will also be a decrease of £94,601 in the expenditure on account of the Sale of Government Property Trust Fund. Last year the expenditure under that head amounted to £221,580, and this year it is estimated at £126,979. Expenditure, therefore, has been reduced all round, and if members compare the total amount of last year's Appropriation Act with the total in the present Bill they will find that the expenditure for the current financial year is down to the amount of £2,368,393. That substantial reduction

in our expenditure is due to the financial situation and the urgent need to economise.

Unfortunately the heavy reduction in governmental expenditure has had a most disastrous effect on the industrial situation, and the difficulties of affording employment to our people have been accentuated by the low prices for wool and wheat. In addition to the restriction of expenditure on Government activities, private expenditure has also been cut down drastically and, in consequence, the employment of labour in industrial undertakings and other avenues outside governmental circles has been reduced to a minimum. The result of the curtailment of expenditure by the Government and the economy exercised in business circles has thrown out of work a large number of men, and the unemployed problem has assumed a magnitude hitherto unknown to this State. The acuteness of unemployment was not unexpected in view of the great fall in governmental expenditure and the great shortage of money in general circulation, owing to the fall in the prices of wool and wheat. As a result of the low price of wheat, the number of men who will find employment in connection with the harvest will be much smaller than previously, even though the yield is greater than ever, and the closure of the loan market necessarily restricts the Government's efforts in relieving the situation. Were it possible to obtain even a limited amount of loan money, a large number of men could be employed on works of a reproductive nature. If that could be done, the Government's cares would be less burdensome. The loss of employment has been felt severely and, to meet the adverse circumstances of the people, the Government will be called upon to continue its heavy expenditure on unemployment relief.

The low price level of our products has had a very depressing effect on business generally, and has been reflected in falling values of property of all descriptions, which means that our collections in revenue from those sources will be very much less than previously. The shortening of staffs has reduced the spending power of a large portion of the metropolitan population, and in business circles that has resulted in falling turnovers with reduced incomes. Therefore, as a result of the business depression, our general revenue has suffered and will con-

tinue to suffer until more prosperous times return.

Hon. C. B. Williams: Do not you think you ought to be optimistic sometimes?

The MINISTER FOR COUNTRY WATER SUPPLIES: In addition, lower receipts will be obtained from land rents and taxation. As to the latter the taxpayer may not be in a position to meet the tax due after the assessment has been made. The stamp duties revenue has also fallen off, due to the decline in the value of real estate and the absence of dealings. The reduction of expenditure by the Government will greatly assist in offsetting the fall in revenues and the losses will also be met by the fresh taxation under consideration. The reductions of expenditure have been considerable. From the Public Service 122 officers have been retired and savings estimated at £41,870 have been effected in the departments. Eight hundred employees have been dispensed with in the Railway service and that department's savings in wages and in other directions should amount to approximately £500,000 per annum. There has also been a great reduction in the purchases in all departments and special officers have been delegated to examine all administrative expenditure. Those officers will co-ordinate the various stores belonging to the Government, scrutinise requisitions, and see that where supplies exist in any of the stores, further purchases are not made. The investigating officers have been given very wide discretion in the respective subjects receiving attention and to date the results have been very satisfactory in the reduction of expenditure.

At the Loan Council in June last, the amount of loan money which it was considered possible to raise in Australia this year was definitely fixed at £15,000,000, and our proportion of it was £1,750,000. That amount will be increased by £350,000 from Loan Repayments Account, which represents collections on account of advances made to settlers and others, and the grand total of £2,100,000 will be expended provided the money is subscribed. The balance to make up the total of £2,438,295 on the Loan Estimates is accounted for by spendings under the Loan Suspense Account and anticipated further amounts from the Loan Repayments Account. At the same conference the Loan Council decided that loan expenditure be limited to revenue producing works, or works which would become such

within a short period. Accordingly the works on the Loan Estimates comply with the decision. For that reason much expenditure has disappeared from the Loan Estimates. In the past expenditure on roads and bridges and public buildings has been charged mainly to loan, and in future moneys so expended will have to be provided from some other fund. Although this Bill authorises expenditure on the Loan Account, it must not be forgotten that the spending of the money is wholly contingent on our being able to raise it.

In the past it was possible for the Treasury to draw on other funds such as trust accounts and suspense accounts in anticipation of a loan flotation, but that cannot be done now. Those funds are not now available to the Treasury and the position is all the more difficult because there is no certainty when the State will be able to get on the loan market. That market is still uncertain. A loan of £10,000,000 was placed on the Australian market in June last and it was over-subscribed; the subscriptions totalling £12,250,000. The redemption loan of £28,000,000, at present on the market, over-shadows everything else. Should it prove successful, a further loan may be considered in the new year. The London loan market has not been approached since April, 1928, and there appears to be no prospect of again doing so for some time to come.

Like all other States, Western Australia has an overdraft in London and, to keep it within limits, the Commonwealth Government have made the necessary advances. On the 30th June the overdraft in London stood at £1,320,000 and in addition the Commonwealth advances to us there on the same date totalled £1,146,739. Since then the overdraft and advances have changed and at present our overdraft in London is £670,000 and the Commonwealth advances total £1,865,000. The difficulties of financing the State have become greater each month and there can be no prospect of easement until the Commonwealth redemption loan is out of the way.

The revenue collections are very disappointing, even more so than was anticipated, but it is hoped that the additional taxation proposed will effect an improvement. Also, it is certain a large number of farmers will not be in a position to meet their Government accounts this year, and

in all probability they will have to be assisted to put in next year's crop. Australia is not the only country suffering depression. Unemployment is also exceptionally serious in most countries, and it is no exaggeration to say that it is almost world-wide and that in governmental finance our troubles are in no way unique. Although we must continue to be anxious about ourselves it would be wrong to think and act despondently in the belief that we were the only ones afflicted in this grave crisis. Until the situation eases elsewhere as well as in Australia, we cannot expect relief, and if we face the situation fearlessly we shall be better equipped than other people to reap the prosperity of normal times.

Hon. G. W. Miles: Do you think you have faced it fearlessly?

The MINISTER FOR COUNTRY WATER SUPPLIES: In conclusion, the proposed loan expenditure is shown in Schedule "D" of the Bill. When the Bill is in Committee I shall endeavour to satisfy the inquiries of members in regard to items of loan expenditure. I move—

That the Bill be now read a second time.

On motion by Hon. G. W. Miles, debate adjourned.

BILL—HOSPITAL FUND.

In Committee.

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Hospital fund:

Hon. J. M. DREW: The Leader of the House told us that the fees collected by the Medical Department would go into the fund. Is there any provision in the Bill to that effect?

The MINISTER FOR COUNTRY WATER SUPPLIES: There is no such provision, but there is no objection to including it if the hon. member so desires.

Clause put and passed.

Clause 4.—Contributions to fund:

Hon. E. H. HARRIS: Paragraphs (a) and (b) provide for the exemption of every person in receipt of old age and invalid

pensions; or in receipt of pensions paid by the Commonwealth Government for war service and not in receipt of income, salary or wages equal to £1 a week or more. Is it to be on the average? Some of these people may earn £2 in one week and nothing at all in the next two or three weeks. Will they have to pay on their average earnings?

The MINISTER FOR COUNTRY WATER SUPPLIES: It is not intended to bring those people within the taxing portion of the Bill. The exemption is £52 per annum.

Hon. E. H. Harris: What I want to know is whether £1 a week is to be the average throughout the year. Will these people be exempt so long as the amount of £52 is not exceeded?

The MINISTER FOR COUNTRY WATER SUPPLIES: If the tax is collected from any person who is exempt, that person will be entitled to a refund.

Hon. A. Lovekin: Where is there provision for a refund in the Bill?

The MINISTER FOR COUNTRY WATER SUPPLIES: In Clause 9.

Hon. W. H. KITSON: Paragraph 2 of the Proviso refers to board and lodging supplied by an employer in respect of wages not less than £1 a week being deemed to be equivalent to additional wages at the rate of £1 a week. Probationers at the Perth Hospital who are receiving 10s. a week and their keep will be called upon to pay this tax. True, it will be only 1½d. per week, but it is not right that they should pay. The conditions under which they work are not of the best, and when we compare their position with that of a girl who may be working outside for 10s. and is living at home, and who will escape taxation, the probationers suffer by that comparison. We should be careful to see that we do not inflict a hardship on people who are doing their best in the interests of the community. Under the paragraph I have just referred to, probationers will be assumed to be earning 30s. a week. In the first place, to tax them will be paltry and in the second place it will not be right. We should not make any distinction between probationers and girls earning similar wages outside.

Hon. H. Seddon: Why not make everybody pay?

Hon. W. H. KITSON: Even the newsboys in the street?

Hon. H. Seddon: Yes, all.

Hon. W. H. KITSON: That is the idea! Notwithstanding the interjections, I do not think the hon. member means what he says.

The MINISTER FOR COUNTRY WATER SUPPLIES: I do not know how Mr. Kitson reads into the clause the fears that he has expressed. It will not apply to anyone receiving wages under the amount stated, £1 a week. Only those receiving wages of £1 or more will be taxed.

Hon. W. H. KITSON: The Minister's reply is quite different from that given elsewhere. The clause provides that where an employee is receiving board and lodging that is to be calculated to be worth £1 a week for the purposes of the Bill. In addition, the person will be receiving a sum of money as wages, and the total is to be assessed for the purposes of the tax. If the Leader of the House says that the clause means what he declares, it will do away with my objection.

Hon. E. H. HARRIS: I have before me a copy of the Bill introduced by Mr. Kitson in 1928, and it contains precisely the same paragraph to which the hon. member now takes exception. When Mr. Kitson introduced the Bill two years ago, he made no reference to the paragraph. The Bill was referred to a select committee and the report of that committee was adopted. Mr. Kitson omitted to note at that time that the clause was unfair, and now he is looking after his fellow workers on the bottom rung of the ladder. He is rather late with his protest.

Hon. W. H. KITSON: I am not protesting against the wording of the clause in regard to the board and lodging; I merely say it has been brought under my notice that there is an anomaly there. It is not fair. I will voice my protest against the paragraph until I can be convinced that the paragraph does not mean what I think it means.

Hon. H. SEDDON: The hon. member argues that a man receiving board and lodging valued at £1 a week, and receiving also a few shillings in wages, is entitled to pay on the few shillings. My opinion is that people do not realise their responsibilities to the State. The tendency of our legislation during the last few years has been to demoralise the whole of the community. Loopholes are created for the escape of all

manner of persons. The sooner we do away with that sort of thing, and the sooner politicians let the people know they must face their responsibilities, the better will it be for the State.

Hon. Sir CHARLES NATHAN: As I read the paragraph, I assume that if an employee is receiving 12s. 6d. per week, which is less than £1 per week, this additional £1 representing board and lodging will not be taken into consideration.

Hon. A. LOVEKIN: On the Bill of last year we came to the conclusion that the only redeeming feature of the measure was the fact that under it everybody would pay towards the hospitals. We actually got in the principle that anybody receiving £1 a week and upwards must pay. It seems to me immaterial whether a person receives £1 weekly in cash or in kind, he must pay his tax. If we could introduce the same principle into the whole of the taxing measures we have had, we should do much better; for at a time such as this everybody, beginning at the man on £1 a week, should contribute.

Hon. H. J. YELLAND: The Minister's interpretation is that if a person is in receipt of £1 a week plus board and lodging, he will not be called upon to pay under this paragraph. I submit to him three instances showing what the effect of the provision will be:—A person getting 17s. 6d. and board and lodging will pay nothing at all; a person in receipt of 30s. and board and lodging will pay on £2; a person getting 20s. per week in an office and living at home will pay on £1. I do not think it was ever intended that such anomalies should have places in the Bill.

Hon. G. W. MILES: It seems to me the Minister's definition is wrong; if it is not wrong we require to amend the Bill. I think the intention is that a person receiving 10s. per week and board and lodging must pay the tax. That is made clear by paragraph (c) of the previous proviso.

Hon. H. STEWART: I agree with Sir Charles Nathan that the proviso assessing the income at £1 for board and lodging depends on the employee receiving £1 per week in wages. If we turn back to paragraph (c) of the first proviso, we see that board and lodging comes under the phrase "other source of income."

Hon. Sir CHARLES NATHAN: Another clause in the Bill provides clearly that where

the wages are less than 15s. per week, they shall not be assessed. So a person in receipt of only 10s. a week would not have to pay on his cash remuneration, but only on the board and lodging valued at £1 a week.

Hon. G. FRASER: The whole trouble over the interpretation arises from the fact that the paragraph is not punctuated. Consequently, it all depends on the way the paragraph is read. All that is needed to secure a clear interpretation is the insertion of a comma, which could go in at either of two points.

Hon. E. H. Harris: Which of the alternative interpretations do you consider the correct one?

Hon. G. FRASER: The one placed on it by Mr. Kitson.

Hon. E. H. Harris: Why?

Hon. G. FRASER: That is the way it strikes me. Like Mr. Miles, I understood the Minister to say that these people will not be taxed, but now the Minister says that was not intended.

Hon. J. M. MACFARLANE: My view is that board and lodging supplied by an employer to his employee, in respect of wages of not less than £1 a week, are deemed to be equivalent to additional wages. In such circumstances the employee is entitled to be taxed.

Hon. Sir WILLIAM LATHLAIN: Every member is advancing a different interpretation of this particular paragraph. If we are in such a quandary, how can we expect other people to read it in the right way? The clause should be re-drafted and clarified.

Hon. J. NICHOLSON: The language employed in the paragraph is calculated to give even judges of the High Court much food for thought. I confess there is a great deal of doubt in my mind as to what it means. Board and lodging are not applied to any employee in respect of wages, but are in addition to the wages paid. They represent a part of the remuneration. The idea of the paragraph is that an employee must be paid £1 a week, in which case the board and lodging, if given, would be assessed at £1 a week, so that he would be receiving the equivalent in income of £2 a week. The term "income" includes board and lodging among other things, and must be taken into account. The man in receipt of £1 a week

and one pound's worth of board and lodging, should not be placed in a better position than the man who receives £1 a week and no board and lodging. If the latter were receiving less than £1 a week, but got his board and lodging, he would be exempt. The clause ought to be postponed for further consideration.

Hon. V. HAMERSLEY: Too many exemptions are being arranged for. The more exemptions we have, the more difficult will it be to administer the Act. I move an amendment—

That in paragraph (c) after the word "week" the words, "whether paid in cash or provided as board and lodging" be inserted.

Hon. A. LOVEKIN: It would save a lot of time if the Minister would postpone the clause, and consider whether we could not obtain a suitable amendment by merging paragraph (c) in with paragraph (ii). If these were brought into one, it could be made clear that wages and board and lodging must go together, and if these exceed the value of £52 a year, the person in receipt of them must be taxable.

The MINISTER FOR COUNTRY WATER SUPPLIES: If the amendment is carried, the person who is not earning any wages at all will pay the tax. There is no necessity to postpone the clause. I have an amendment drafted to strike out the sub-clause and insert a provision whereby the board and lodging supplied by the employer to the employee shall be deemed to be the equivalent of additional wages at £1 a week, but that this shall only apply to an employee receiving not less than £1 a week.

Hon. A. LOVEKIN: If that proposal were adopted, the employee would have to be receiving £2 a week, one in cash and one in kind, before he could be taxed. That is not intended, and we can do better than that.

The MINISTER FOR COUNTRY WATER SUPPLIES: I move—

That further consideration of the clause be postponed.

Motion put and passed: the clause postponed.

Clause 5—Contributions in respect of income:

Hon. Sir CHARLES NATHAN: My interpretation of this clause is that anyone in receipt of wages will pay the tax on such

wages from his earnings during the present year. But when it comes to the assessment of incomes, the taxpayer will be assessed for his tax of this year on his income of last year. There seems to me a point of difference and inequity in the treatment of the two classes of taxpayers, one paying only on the earnings of this year, no matter how little they may be, the other being assessed on the earnings of last year, no matter how much greater they may be than the income anticipated or being received this year. I know of companies which last year made profits of as much as £20,000 on large capitals, and which this year will make not profits but losses. The point is one that I think should receive the attention of the Committee.

The MINISTER FOR COUNTRY WATER SUPPLIES: Sir Charles Nathan is perfectly right. Those taxed on weekly or monthly receipts will pay on the basis of this year's income. Those taxed on yearly incomes can only be assessed on past incomes. This means that by the time the Bill has been assented to, say about the 1st February next, they will pay on five-twelfths of last year's income. If that were not so, it would be about 15 or 18 months before the hospitals would receive any benefit from the latter class of taxpayers. In the following year these taxpayers will come back on the income of this financial year.

Hon. Sir CHARLES NATHAN: There is another point. The clause requires that contributions to the fund shall be payable seven days after service of notice. Seven days' notice is not sufficient. I therefore move an amendment—

That in line 3 of Subclause 2 the word "seven" be struck out, and "thirty" inserted in lieu.

Hon. A. LOVEKIN: Where the tax is payable under the Land and Income Tax Act, there will have to be a re-assessment of every return sent in. Last year the Commissioner of Taxation told us that the cost of collecting this tax would be, not £6,000, but £10,000. In my own case, I have paid my tax for this year and shall have to get another assessment for the hospital tax. When shall I have to pay the hospital tax? If the hospital tax is to be assessed on last year's earnings, it will be most unfair.

The MINISTER FOR COUNTRY WATER SUPPLIES: It is quite true that last year the Commissioner of Taxation said, in reply to a question and on the spur of the moment, that the cost of collecting this tax would be £10,000. He now gives an estimate of £6,000, which is reasonable in view of the fact that the cost of collecting income tax amounts to £29,000 annually. I agree with Sir Charles Nathan's amendment. Thirty days' notice is just as necessary for this tax as for income tax.

Amendment put and passed; the clause, as amended, agreed to.

Clause 7—Contributions in respect of income exempt from taxation:

Hon. A. LOVEKIN: All the income tax returns have gone in, and there is no obligation on any person to send in another return except under this Bill. Instead of going back to last year's income, let us provide that the returns to be sent in shall date from the 1st July of this year. We should not go back to last year, when incomes and salaries were very much higher than they are this year.

The MINISTER FOR COUNTRY WATER SUPPLIES: This clause is specially drafted to catch people who have not furnished returns because their incomes are below the minimum. The clause does not refer to any person who has made a return.

Hon. A. LOVEKIN: I am speaking about the person who is liable to send in an income tax return, who has sent in an income tax return in respect of his income for the year ended on the 30th June last, and who may or may not be assessed on the basis of June last. The assessment would be on the previous year's income.

Hon. J. Nicholson: Yes, in terms of Clause 5.

Hon. A. LOVEKIN: Will those who have paid income tax on returns sent in as at the 30th June last and have already paid the tax get another assessment?

Hon. J. Nicholson: Yes, under Clause 6.

Hon. A. LOVEKIN: Based upon the year last past?

Hon. J. Nicholson: Yes.

Hon. A. LOVEKIN: That is not right, because in many cases last year's incomes were double and treble what they will be for this year.

Hon. J. Nicholson: You might move to re-commit Clause 5.

Clause put and passed.

Clause 8—Contributions by companies:

Hon. J. NICHOLSON: I move an amendment—

That the following be added to the clause:—
 “Provided further, that in all cases in which policy holders of any life assurance company, as defined by Section 2 of the said Act, have an interest in the assets of the company there shall for the purpose of this section be deducted from the amount of interest received from its investments during the taxable period such amount as any policy holders of the company shall have paid to it for interest during such period on any loans made by the company to such policy holders if such interest so paid is not deductible in ascertaining the taxable income of the policy holder under Subsection 1 of Section 31 of the Land and Income Tax Assessment Act, 1907.”

The amendment is submitted in order to overcome a difficulty in connection with the holders of life policies, who otherwise may be paying twice over. I am informed that in the case of policy holders who have borrowed money either on their life policies or on mortgage from the life assurance company, if the money is borrowed in connection with premises where the policy holder carries on his business, which is producing the income, a right is given under the Land and Income Tax Act to deduct the interest paid in respect of the mortgage. But if a person should borrow money on mortgage from a life assurance company in respect of his residence, he would not be entitled to make deductions under that heading. The position might also arise when money is borrowed on a life policy. Those items will have to be taken into account in estimating the tax under the Bill.

Hon. W. H. Kitson: How much would be involved in the tax that you object to?

Hon. J. NICHOLSON: I have no idea, but I do not think it would be a very large sum.

The MINISTER FOR COUNTRY WATER SUPPLIES: I referred the amendment proposed by Mr. Nicholson to the department for a report and I have received the following minute:—

Under Clause 8 as at present drafted, a life assurance company will be charged at the rate of 1½d. in the £ on all interest received from its investments in exactly the same manner as it is charged under the Dividend Duty Act,

but not, of course, at the same rate. The investments of an assurance company for the most part consist of mortgages and bonds, but some portion of its business is by way of loans to policy holders. In assessing an assurance company, it would be extremely difficult, if not impossible, to differentiate as to what portion of its income was derived from one kind of investment and what from another. These policies on loans are for the most part for small amounts, and in the great majority of cases are of a personal nature, that is, the money borrowed is for personal expenses, as distinct from that used in business. Subsection 1 of Section 31 of the Land and Income Tax Assessment Act, 1907, specifies that a taxpayer shall be entitled to deduction in respect of an annual amount of loss, outgoings and expenses actually incurred in the State by a taxpayer in the production of his income. The object of Mr. Nicholson, therefore, is to see that the company does not pay 1½d. in the £ hospital contribution on interest paid by persons who have borrowed money on their policies and are using that money in their business. As previously stated, it would be impossible to differentiate in this way when dealing with a company under Clause 8. In any case, the amount that would be involved would be very small indeed, seeing that the annual sum payable would be 1½d. on each £1 of interest paid on loans only specifically used in business.

Hon. J. NICHOLSON: The effect of the amendment has been misunderstood by the departmental officials. It should not be possible to tax the individual twice over as I have indicated.

Hon. G. W. Miles: The man who borrows on account of his dwelling is not allowed to make a deduction from his income tax, and he should not be allowed to do so in connection with the tax under discussion.

The MINISTER FOR COUNTRY WATER SUPPLIES: The amount involved is very small. The principal objection to the amendment is that it would upset the basis of our taxation and I do not think that would be justified.

Hon. W. H. KITSON: Mr. Nicholson's attitude on this is different from that indicated by him on another amendment. Now, when the poor insurance companies are concerned, he wants to secure the exemption. Obviously he has one attitude for one section of the community, and another for other sections.

Hon. J. Nicholson: That is not fair.

Hon. W. H. KITSON: I am surprised that the amendment should be suggested.

Amendment put and negatived.

Clause put and passed.

Sitting suspended from 6.15 to 7.30 p.m.

Clause 9—Contributions in respect of salary and wages:

Hon. W. H. KITSON: Whenever wages are paid, the tax must be paid. From an accountancy point of view that is apt to cause inconvenience because of the number of half-pennies involved. Some firms would prefer to deduct the tax fortnightly instead of weekly to avoid the inconvenience of handling half-pennies. Would the Minister make provision for that?

The MINISTER FOR COUNTRY WATER SUPPLIES: The employee, not the employer, must pay the tax. I cannot see that there would be much difficulty from an accountant's standpoint. Deductions are being made in various industries at present.

Hon. W. H. KITSON: Some firms would be facilitated if the deductions could be made fortnightly instead of weekly. There should be no objection to permitting them to do so.

Hon. Sir CHARLES NATHAN: There is a good deal in Mr. Kitson's contention. To show the fractions on a lengthy wages sheet must necessitate a considerable amount of calculation and work, but I cannot see how it can be obviated. If deductions were made fortnightly, fractions would still have to be shown on the pay sheets.

Hon. E. H. HARRIS: Apart from the inconvenience, there will be anomalies. Men in the mining industry have 24 pay days a year; most other awards provide for 26 pay days. A man who receives 24 pays instead of 26, if there was not a round pound, might gain whereas the other might lose. I cannot see how we can ensure that each person will pay the same amount of tax if earning a certain amount of money in the year.

The MINISTER FOR COUNTRY WATER SUPPLIES: If members so desire, the fractions could be eliminated by increasing the tax from 1½d. to 2d. A firm could require employees to find the stamps. The anomalies referred to cannot be avoided.

Hon. W. H. KITSON: I must press the point. If a firm employs 200 men, the bulk of the wages would be about £3 a week, representing 4½d. in taxation. If the firms could make the deduction fortnightly in-

stead of weekly, it would be a great convenience. Perhaps a regulation could be prescribed for the purpose.

The MINISTER FOR COUNTRY WATER SUPPLIES: The clause provides that the contributions shall be collected in accordance with regulations made under the measure. I take it the Commissioner of Taxation will make regulations to meet requirements.

Hon. A. LOVEKIN: Have the Government considered the effect of the Truck Act? This Bill provides for deducting the tax from wages, and I think the Truck Act stipulates that there shall be no deduction from wages.

The MINISTER FOR COUNTRY WATER SUPPLIES: That point has been considered by the Crown Law authorities. The Truck Act has no bearing whatever on the Bill.

Clause put and passed.

Clause 10—agreed to.

Clause 11—Benefits to contributors:

Hon. J. M. DREW: Paragraph (a) refers to wages totalling less than £220 for a married person. I desire to make it £270 in order to embrace the people of the goldfields. Miners on the Murchison goldfields receive only the basic wage, but considering the conditions, £270 there would be no more than £230 in the city. I move an amendment—

That the word "thirty" be struck out and "seventy" inserted in lieu.

Hon. E. H. HARRIS: The basic wage on the goldfields is £4 5s.

Hon. J. M. DREW: The hon. member will not agree that £4 5s. on the goldfields is as good as £4 7s. in the city.

Hon. E. H. HARRIS: The court says it is.

Hon. V. HAMERSLEY: We should include the word "net" before "income." Any number of people on the land may have an income of probably £600, but their net income may be only £50 or £60. Yet they would be brought under the clause.

Hon. F. W. ALLSOP: Instead of making the exemption general, I would be inclined to make it apply to the outback districts. It would cost a married man with, say, three children living at Wiluna just about half as much again to live as it would cost a man with a similar family in the metropolitan area.

The MINISTER FOR COUNTRY WATER SUPPLIES: The exemption is quite high enough and Mr. Drew's amendment would make it too much. There is no justification for such a high exemption.

Hon. Sir WILLIAM LATHLAIN: The intention is to see that everyone is brought in and therefore we should make the exemptions as low as possible. The basic wage might be the standard on which to fix a definite amount.

Hon. E. H. HARRIS: I should like to know what prompted the Government to fix the exemptions at £230 and £156. The figures suggested by Mr. Drew would run out at £5 4s. a week, whereas the figures in the Bill apply to the wage of £4 5s.

The Minister for Country Water Supplies: The Government thought these figures would be reasonable on which to fix the exemption.

Hon. H. STEWART: It would be a mistake to make the basic wage apply and let the single man on the basic wage be exempt from contributing to the hospitals. That is the reason I take it the figure was fixed at £156.

Hon. V. HAMERSLEY: Before Mr. Drew's amendment is submitted, I should like to move to insert the word "net" before "income."

The Minister for Country Water Supplies: "Income" means net income, so that there is no necessity for an amendment.

Hon. H. STEWART: We should not increase the figures that are set out in the Bill. The amendment would simply mean increasing the number of people who would get free services from hospitals.

Amendment put and negatived.

The MINISTER FOR COUNTRY WATER SUPPLIES: I move an amendment—

That in line 5 of paragraph (a) the words "admission to or commencement of" be struck out.

Amendment put and passed.

The MINISTER FOR COUNTRY WATER SUPPLIES: I move an amendment—

That in line 5 of paragraph (b) the words "admission to or commencement of" be struck out.

Amendment put and passed.

Clause, as amended, put and a division taken with the following result:—

| | | | | |
|-----------------|----|----|----|----|
| Ayes | .. | .. | .. | 18 |
| Noes | .. | .. | .. | 7 |
| Majority for .. | | | | 11 |

AYES.

| | |
|----------------------|-----------------------|
| Hon. F. W. Allsop | Hon. J. M. Macfarlane |
| Hon. C. F. Baxter | Hon. W. J. Mann |
| Hon. J. M. Drew | Hon. Sir C. Nathan |
| Hon. J. T. Franklin | Hon. E. Rose |
| Hon. G. Fraser | Hon. C. B. Williams |
| Hon. E. H. Gray | Hon. C. H. Wittenoom |
| Hon. E. H. H. Hall | Hon. H. J. Yelland |
| Hon. G. A. Kempton | Hon. E. H. Harris |
| Hon. W. H. Kitson | (Teller.) |
| Hon. Sir W. Lathlain | |

NOES.

| | |
|-------------------|-------------------|
| Hon. V. Hamersley | Hon. J. Nicholson |
| Hon. J. J. Holmes | Hon. H. Stewart |
| Hon. A. Lovekin | Hon. H. Seddon |
| Hon. G. W. Miles | (Teller.) |

Amendment thus passed: the clause, as amended, agreed to.

Clause 12—Proof that a patient is a contributor:

Hon. E. H. HARRIS: I move an amendment—

That in line 1 of paragraph (a) after the word "certificates" the words "in a prescribed form" be inserted.

Any person who desires to appeal to the commissioner will have to supply him with a certificate. Since there are thousands of employers in the State, there should be some uniform certificate issued by the department.

Hon. A. LOVEKIN: In the Bill of last year the same amendment was made, but in a better way, when in Clause 5 it was provided that a certificate in the prescribed form should be issued by the commissioner. I suggest we pass this clause and recommit Clause 5 for the purpose of inserting the amendment, as was done last year.

Hon. W. J. MANN: If we insist upon the certificate being in a prescribed form it may occasion great difficulty in the back country. A man suddenly taken ill and removed to hospital might be dead and buried before he could get a certificate in the prescribed form.

Members: That is not the point.

Hon. Sir William Lathlain: Those occurrences could be recorded on a prescribed form.

Hon. W. H. KITSON: There is some point in Mr. Mann's contention. If we make it binding that the certificates shall be in a prescribed form, it will mean that every employer in the back country will require to have one or more certificates on hand in order to supply the necessary proof that his employee is a contributor to the fund, and so entitled to free hospital treatment. That might easily lead to delay and complication. Paragraph (c) provides for the use of such other means as may be prescribed. Probably under that provision everything necessary in these cases could be done, and therefore there is no need for the amendment. In any event, the simpler we keep this, the better.

Hon. E. H. H. HALL: I agree with Mr. Kitson that the least inconvenience we give people the better. I hope Mr. Harris will withdraw his amendment.

Hon. H. SEDDON: The difficulty could be overcome by keeping certificates in the prescribed form in the hospital. Then when a patient arrived the prescribed certificate could be supplied, and all the employer would have to do would be to sign it.

The CHAIRMAN: The Committee are under a misapprehension. This amendment applies only to the Commissioner of Taxation.

Hon. J. NICHOLSON: I see no necessity for troubling about the Commissioner of Taxation. Any certificate issued by the commissioner is certain to be on a form that has been approved by the Crown Law Department. The hon. member might withdraw his amendment.

Hon. E. H. HARRIS: My desire is to assist the department and the individual to whom the certificate will be issued. I will withdraw the amendment, but will afterwards move to insert the same words in paragraph (b). What will be the position of a person who has subscribed to a hospital fund if the certificates are not sent out in proper form?

Amendment, by leave, withdrawn.

Hon. E. H. HARRIS: I move an amendment—

That in paragraph (b), after the word "certificate," the words "in the prescribed form" be inserted.

Hon. H. STEWART: The amendment would improve the paragraph. This deals

only with the charge that may be imposed upon a patient.

Amendment put, and a division taken with the following result:—

| | | | | |
|-----------------|----|----|----|----|
| Ayes | .. | .. | .. | 15 |
| Noes | .. | .. | .. | 10 |
| Majority for .. | | | | 5 |

AYES.

| | |
|----------------------|---------------------|
| Hon. F. W. Allsop | Hon. Sir C. Nathan |
| Hon. C. F. Baxter | Hon. J. Nicholson |
| Hon. J. T. Franklin | Hon. E. Rase |
| Hon. E. H. Harris | Hon. H. Seddon |
| Hon. G. A. Kempton | Hon. C. B. Williams |
| Hon. Sir W. Lathlain | Hon. H. J. Velland |
| Hon. A. Lovekin | Hon. H. Stewart |
| Hon. W. J. Mann | (Teller). |

NOES.

| | |
|-------------------|-----------------------|
| Hon. J. M. Drew | Hon. W. H. Kitson |
| Hon. G. Fraser | Hon. J. M. Macfarlane |
| Hon. E. H. Gray | Hon. G. W. Miles |
| Hon. V. Hamersley | Hon. C. H. Wittenborn |
| Hon. J. J. Holmes | Hon. E. H. H. Hall |
| | (Teller). |

Amendment thus passed.

Hon. C. B. WILLIAMS: I understand that under the Statutory Declarations Act these particular declarations must be made before a justice of the peace. It is very difficult for persons living outback to find such an official to witness their signatures. Cannot the clause be altered to provide for the substitution of some civil servant in the district in place of a justice of the peace?

Hon. J. Nicholson: There will be no trouble about that, because all these hospitals are situated in some town where a justice of the peace is to be found.

Hon. E. H. H. HALL: I endorse the remarks of Mr. Williams. It is very difficult to secure the services of a justice of the peace in some of these country centres, and it would be preferable that the witnesses to the signature should be the local police officer, or some other Government employee.

Hon. H. Seddon: Does not the word "may" seem to indicate that only in cases of doubt would a declaration be required?

Hon. C. B. WILLIAMS: The word "may" is always "shall" with Government departments. They invariably go nap on "may." If the Minister will assure the Committee that these declarations will be couched in simple form, I shall have no objection to the clause. The local police con-

stable should be empowered to witness documents of this kind.

Clause, as amended, put and passed.

Clause 13—Appropriation of fund:

Hon. E. H. HARRIS: The clause provides that the money in the fund shall be applied by the Minister firstly in payment of the cost of collection and administration, as declared by the Minister. What do these words mean? Will the Minister have power to declare that the cost was £200 instead of £500?

The MINISTER FOR COUNTRY WATER SUPPLIES: The intention is to carry on exactly as we are doing to-day. The administration of the Act will be in the hands of the Minister. Some small expense may be incurred from time to time and this will be under the control of the Minister. There is nothing that will suggest any large expenditure.

Hon. J. M. DREW: I move an amendment—

That a new paragraph be inserted, to stand as paragraph (a), as follows:—"Paying any public hospital for any hospital service granted to any person exempt from liability for such service under Section 11 of this Act."

We have been dealing with certain people who are to receive free hospital treatment under the Bill. But who is to bear the burden of those benefits? The Bill is silent on the point. The effect, however, is that hospitals throughout the State will have to carry the burden. It should be borne by the fund, and not by individual hospitals.

The MINISTER FOR COUNTRY WATER SUPPLIES: The amendment merely puts into the Bill what is the practice to-day. I regard the amendment as desirable.

Hon. E. H. GRAY: I support the amendment. A weakness of the Bill is the absence of a basis for distribution of the fund. A similar weakness existed in connection with traffic fees until a basis was provided. The basis for distribution of the fund might well be included in this clause.

Amendment put and passed.

Hon. J. M. DREW: As to the next paragraph, "Paying subsidies to any public hospital," what is the basis on which subsidies will be paid?

The MINISTER FOR COUNTRY WATER SUPPLIES: The department are continuing the procedure of the past, which has been found quite satisfactory. It would be a great mistake to insert here a hard and fast basis of distribution. In the event of an outbreak of disease, a hospital might require a special grant.

Hon. G. FRASER: I disagree with the Minister. The distribution of the fund should not be left to the department, but a basis should be fixed. Otherwise a hospital with a live committee would not receive as good treatment as a hospital with a committee who fell down on their job. Some committees raise funds for their institutions, in addition to administering them. The absence of a basis of distribution might encourage some committees to slacken. From the point of view of the hospitals and also of the department it would be well to provide a basis.

Hon. J. M. DREW: I disagree with the Minister's view. Disease rarely breaks out, but agitations are always doing so. If departmental officers refuse to make grants they consider unreasonable, all sorts of influence and pressure are brought to bear on the Minister. Eventually the Press comes into action, and large grants are made to hospitals in the metropolitan area. Country hospitals have no one to battle effectively in their cause.

Hon. C. H. WITTENOOM: I also disagree with the Minister. There should be some arrangement under which each hospital would get its share of the fund. My chief fear is that under present conditions too much money would remain in the metropolitan area. The residents of country towns work hard for their hospitals, and these institutions should have their fair share of the money. The fund should be distributed on some definite basis.

The CHAIRMAN: Unless an amendment is moved, the discussion resolves itself into a question whether the paragraph should stand or be deleted.

Hon. H. SEDDON: I am in favour of the clause as it stands. Serious cases are sent from the country to the metropolitan area, where they are treated in the large hospitals.

Clause, as amended, put and passed.

Clauses 14 to 19—agreed to.

Postponed Clause 4—Contributions to fund:

The CHAIRMAN: An amendment has been moved by Mr. Hamersley, "That in paragraph (c) after the word 'week' the words 'whether paid in cash or provided as board and lodging' be inserted."

Hon. H. J. YELLAND: The difficulty as to the second proviso, on which discussion has centred, could be amended by the insertion of a further proviso.

The CHAIRMAN: The hon. member can move an amendment to that effect after Mr. Hamersley's amendment has been disposed of.

Amendment put and passed.

Hon. H. J. YELLAND: I move an amendment—

That the following paragraph, to stand as paragraph (d), be inserted after paragraph (c):—"In receipt of board and lodging only without receiving any payment in money."

The first proviso has to be read in conjunction with the second proviso and particularly sub-paragraph 2, upon which so much discussion has taken place. It will be necessary to strike out the words, "in respect of wages not less than £1 a week." If the course I suggest be adopted, it will mean that a person in receipt of board and lodging as portion of his wages will be called upon to contribute something, however small it may be, towards the tax.

Hon. A. LOVEKIN: Mr Yelland's suggestion seems to meet the case. It provides that where board and lodging only are concerned, the person shall be exempt from the tax, but where he receives board and lodging, plus an amount as wages, he shall not be exempt. For the purpose of considering how much shall be payable as tax, the board and lodging shall be deemed to be at the rate of £1 per week, and the man will be taxed on that £1, plus any actual money he may receive as wages.

Hon. W. H. KITSON: I oppose the amendment. We have already decided to tax everyone irrespective of his position. If Mr. Yelland's suggestion is accepted, I can see a lot of interest being taken in the Bill at Blackboy Hill. The men there receive 5s. per week plus board and lodging, and they will be taxed.

Hon. H. SEDDON: I hope the amendment will not be agreed to. It would not

redound to the credit of this Chamber if such an amendment were permitted to become part of the measure. It would be a rather sad state of affairs if we were to agree that people should be employed for board and lodging only.

Hon. G. FRASER: Another bad feature of the amendment concerns those who are in receipt of sustenance. The man who does not work for money, but draws rations, will be exempt; the man who participates in a sustenance scheme and works for what he is paid will be taxed.

Hon. H. J. YELLAND: I do not want to force the question. I have not studied Mr. Hamersley's amendment, but if the Minister assures me that it meets the position, I shall withdraw my amendment.

Amendment put and negatived.

Clause, as previously amended, put and passed.

Title—agreed to.

Bill reported with amendments.

Recommittal.

On motion by Hon. Sir William Lathlain, Bill recommitted for the further consideration of Clauses 4, 5, 11, and 13.

In Committee.

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clause 4—Contributions to fund:

Hon. V. HAMERSLEY: In view of the amendment I suggested, and the Committee adopted, it seems to me that sub-paragraph 2 of the second proviso is superfluous and should be deleted. I move an amendment—

That sub-paragraph 2 be struck out.

Hon. W. H. KITSON: If the sub-paragraph be struck out, how are we to arrive at the value per week of board and lodging?

Hon. H. SEDDON: Mr. Hamersley's objective will be gained if he strikes out the words "in respect of wages not less than one pound a week" from the sub-paragraph.

The MINISTER FOR COUNTRY WATER SUPPLIES: I oppose the amendment, which is an impossible proposition.

Hon. H. SEDDON: I think Mr. Hamersley desires to define board and lodging as

of a certain value, but as other provision has been made earlier in the clause the words "in respect of wages not less than one pound a week" are unnecessary.

The CHAIRMAN: Mr. Hamersley has moved to strike out the paragraph.

Hon. V. HAMERSLEY: I ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Hon. V. HAMERSLEY: I move an amendment—

That the words "in respect of wages not less than one pound a week" be struck out.

Hon. W. H. KITSON: Unemployed at Blackboy receiving 5s. a week and board and lodging from the Government will have to pay the tax. Every boy or girl, no matter what his or her wages might be, will be required to pay the tax. I hope members understand what they are doing. I oppose the amendment.

Amendment put and passed; the clause, as further amended, agreed to.

[Hon. J. W. Kirwan took the Chair.]

Clause 5—Contributions in respect of income:

Hon. Sir CHARLES NATHAN: A man might be earning £1,000 a year and, if subjected to the 10 per cent. deduction, he would pay tax on the lesser amount. Another man might have earned £2,000 during last year, while this year he may earn only £750. Yet he would be taxed on the £2,000 he earned last year.

Hon. E. H. Gray: That would be a shame.

Hon. Sir CHARLES NATHAN: It is unfair to have such a wide difference in the method of imposing the tax. To test the feeling of the Committee, I move an amendment—

That a further proviso be added to Subclause 1, as follows:—"Provided further, that in respect to the assessment and payment of contribution under the preceding paragraph, the Commissioner shall, on receipt from the contributor of the return for the year ending the 30th day of June, 1931, re-assess such contributor under the preceding paragraph, and should such re-assessment reveal an overpayment on the part of the contributor, such overpayment shall be credited against the contribution due by him under this Act for subsequent periods."

It is necessary for the Taxation Department to have some basis for taxing. As they have no return from such an individual for this year, it is necessary that he should be taxed on the basis of last year's income. When his returns are received next year, if it is found that his income was lower than the amount on which he was taxed, a rebate should be allowed in the second year.

The MINISTER FOR COUNTRY WATER SUPPLIES: The amendment is quite reasonable and I accept it. For the financial year ended last year, incomes will be far larger than for the present year and possibly for next year.

Hon. H. SEDDON: There are two objections to the amendment. Firstly a considerable amount of work will be involved in dealing with applications for rebates and, secondly, what amount of relief will be given? On the figures quoted by Sir Charles Nathan the difference would be comparatively small, and probably not worth the cost of making the rebate.

Hon. G. FRASER: I agree that the cost of making the rebate would be more than it was worth. The Government would also be uncertain of the amount of money available for hospitals. Little consideration has been given to the nurse-girl earning 10s. a week, who will be taxed, but now we are concerned about a man with an income of £2,000 a year.

Hon. J. J. Holmes: And probably with nothing this year.

Hon. G. FRASER: He would not feel the loss of the few shillings.

Hon. Sir WILLIAM LATHLAIN: Those who pay hospitals tax under this clause would be paying the tax on income for the 12 months before other contributors began to pay. I support the amendment.

Hon. E. H. HALL: I cannot support the amendment because of the very heavy amount of work that will be involved at the Taxation Department. I should like Mr. Fraser to realise that the Bill will call upon people to pay a tax for something they will not be receiving; people in receipt of incomes of thousands will not benefit under this scheme.

Hon. E. H. GRAY: If this House wants to live up to its reputation as the House of Fat—

The CHAIRMAN: Order! The hon. member must withdraw that remark.

Hon. E. H. GRAY: If the House wishes to live up to its reputation as the House that favours the wealthy, it will pass this amendment.

The CHAIRMAN: Order! The hon. member must withdraw that remark unreservedly.

Hon. E. H. GRAY: Very well. I will withdraw it unreservedly and will say that if this is the House that looks after one section of the community—

The CHAIRMAN: Order. The hon. member must not proceed on those lines. He must withdraw that remark, too.

Hon. E. H. GRAY: I withdraw. The poor devil of a man on sustenance with one or two children will be called upon to pay hospital tax. At the present time he is being starved to pay the landlord and there are several thousands in the metropolitan area in that position, while we are wasting time—

The CHAIRMAN: Order! The hon. member must not say that this House is wasting time. He must withdraw the remark.

Hon. E. H. GRAY: It has already been said several times.

The CHAIRMAN: The hon. member must withdraw the remark.

Hon. E. H. GRAY: May I say that it is my opinion?

The CHAIRMAN: The hon. member must withdraw unreservedly.

Hon. E. H. Harris: Naughty boy!

Hon. E. H. GRAY: I withdraw, but to my mind it is waste of time for an amendment of this sort to be considered at a critical period in the State's history. I cannot see what effect it will have on the masses of people who are starving at the present time.

Hon. J. M. MACFARLANE: The Government, in framing this clause, must have found themselves in a difficulty in their endeavour to treat all the taxpayers equitably. We know it is desired to get revenue in quickly so that relief may be given to hospitals. The Government, in putting this up, suggested retrospective legislation. The amendment will make the position equitable. There are many here who would throw the clause out altogether, but I have no wish to harass the Government, and I regret that there has been so much delay to-night over matters that appear to be very trivial.

Hon. Sir CHARLES NATHAN: I can see nothing in the clause that does not appeal to the fair play of any individual. All I

am asking the House to consider is that every individual shall be rated on the same equitable proportions; I am asking nothing more and nothing less, and I will not agree that the hon. member opposite or any of his colleagues has any more responsibility in respect to taking care of the welfare of any individual, no matter how lowly his position than has any other member of this House. The amendment is suggested purely from the viewpoint of equity. Individually it does not concern me in the slightest.

Hon. H. STEWART: The amendment is equitable and reasonable. Hon. members should think of the position in which a certain section of the community find themselves owing to the fall in the prices of primary products.

Amendment put and passed; the clause as amended, agreed to.

Clause 11—Benefits to contributors:

Hon. Sir WILLIAM LATHLAIN: I move an amendment—

That the words "two hundred and thirty pounds" be struck out, and "the basic wage" inserted in lieu.

The amendment requires no comment. It speaks for itself. It will make for something very definite.

Hon. G. FRASER: Which basic wage does the hon. member mean, the State or the Federal? I take it he means the State basic wage?

Hon. A. Lovekin: The basic wage under which the individual is working, surely.

Hon. G. FRASER: In that case, payments will be different. The amendment should set out that it refers to the State basic wage. Taking everything into consideration, the amount of £230 is a small enough exemption. To reduce it to the basic wage would be to make it too low altogether.

Hon. Sir WILLIAM LATHLAIN: With the permission of the Committee, and to make the amendment perfectly clear, I should like to modify the words to be inserted to read "basic wage as may be prescribed from time to time by the State Court of Arbitration." After all, the basic wage is the basis alike for taxes and for exemptions. Those who can afford to pay should pay, and the exemptions should be made as low as possible.

Hon. A. LOVEKIN: I suggest to the hon. member that he make his amendment read

"The basic wage as last declared by the State Court of Arbitration."

Hon. W. H. KITSON: We are losing sight of the fact that this is supposed to be a special tax for a special purpose. A number of members seem to think the special purpose for which the Bill has been brought down is not to assist hospitals, or afford benefits to those who might be contributing to the fund, but to assist the Consolidated Revenue. It is surprising that those supporting the Government and the Bill are not candid enough to admit that that is the real position. The amendment would bring the exemption far too low. It should be increased rather than decreased. A great majority of the people in the country certainly will not be earning £230 this year, and so they will all be entitled to free hospital treatment although very few will be contributing to the hospital fund. In my opinion every contributor to the fund should be entitled to the benefits under the scheme. I will oppose the amendment.

Hon. E. H. HARRIS: Actually, the amendment seeks to reduce the amount by £9, which is the difference between £230 and the basic wage. Sir William Lathlain, I think, is trying to do this rather hurriedly. A number of the amendments brought forward here to-night have not been studied by members, because they have not appeared on the Notice Paper. I suggest that Sir William might well ask the Minister to report progress in order that the amendment now before us might be placed on the Notice Paper for thorough consideration to-morrow.

Hon. H. STEWART: Sir William Lathlain does not desire to reduce the amount by a few paltry pounds, but is after something fundamental in principle. Personally, I think it much better to leave the exemption at a definite fixed sum. When I opposed this clause I opposed it on the principle that the hospitals should not be deprived of their right to send out their own accounts.

Hon. Sir WILLIAM LATHLAIN: I shall be glad if the Minister will be good enough to report progress in order that my proposed amendment may be placed on the Notice Paper. If the amendment be agreed to, it will become necessary to amend the amount set down as the exemption for single men.

Hon. E. H. H. HALL: I agree with Mr. Stewart. I hope the amount will be left as stated in the clause. It is far better to have

a definite amount in the clause than to have a variable quota like the basic wage.

The MINISTER FOR COUNTRY WATER SUPPLIES: Were this a difficult matter to decide I should be prepared to report progress. The question under discussion is whether the amount should be stated or not. It is not necessary that the amendment should be put on the Notice Paper in order that members may know where they stand.

Amendment put and negatived.

Clause, as previously amended, put and passed.

Clause 13—Appropriation of the fund:

Hon. E. H. GRAY: I move an amendment—

That the following words be added to paragraph (a) (amended to paragraph (b)) :—
"and which shall be based on the average number of beds occupied daily during the preceding financial year."

Out of consideration for country hospitals, the Minister should be induced to fix a basis of contribution of some kind. This amendment may not be all that is desired, but may induce him to bring forward something better to-morrow.

The MINISTER FOR COUNTRY WATER SUPPLIES: I trust the Committee will not pass this amendment. The department have controlled hospitals for many years, and I have not heard that any great dissatisfaction has arisen. Parliament could not set up a basis of contribution to the hospitals that would work satisfactorily. If we tried to do so, it would come back upon us like a boomerang.

Hon. E. H. H. HALL: How could any Government department adequately and fairly lay down the basis of the cost of conducting a hospital at Laverton and compare it with the cost of running one at Moora? The two are quite distinct from each other.

Hon. J. M. DREW: The amendment has been moved merely to create a discussion on the subject. Some set basis of contribution from the fund should be specified. Out of all this money, say £30,000 or £50,000 will be set aside for subsidies. That amount should be apportioned out on some equitable basis to the different institutions. No one hospital should derive an advantage over another.

Hon. Sir WILLIAM LATHLAIN: I am beginning to realise the difficulty that may occur in cases of special emergency. There might be a serious outbreak of bubonic plague or some other epidemic, or there might be a big scale accident at Collie. In the event of such things happening, it would be difficult for the Government to find the money to cope with them if the fund had already been depleted in other directions. I am inclined to support the clause as printed.

Hon. G. FRASER: We all remember the agitation for the closing of wards at the Perth and Children's Hospitals. If the fund is still available and pressure is brought to bear upon the Minister or the department, it may be difficult for either to refuse the applications. The door will be left open for use to be made of the fund to the detriment of other institutions. The Committee would be wise to lay down some basis of apportionment.

Hon. E. H. H. HALL: To take the number of unoccupied beds would be to lay down an unfair basis. Some communities conduct only a small hospital and only two or three beds are occupied. These are more expensive per bed than would be the case in a larger hospital.

Hon. W. H. KITSON: On a previous occasion it was agreed that the best way to apportion a fund of this sort was to make a certain allowance per patient per day. If it were possible it would be better that a fixed amount should be stated. If all the money comprised in the fund were absorbed by the various hospitals, and an epidemic occurred, the Government would not be bound only to the fund to cope with the situation. Other things besides subsidies are provided for in the clause. I am fully in accord with the idea of stating in the Bill the basis on which the money shall be distributed. The public would know, and the hospital authorities would know; and I believe the department would be satisfied. If Mr. Gray's amendment is not carried, I hope some other basis will be found.

Hon. C. H. WITTENOOM: I am inclined to support Mr. Gray's amendment. The difficulties which would be caused by expenditure arising from epidemics are overcome by Mr. Drew's suggestion that a certain amount should be retained for equipment and so forth.

Hon. J. M. MACFARLANE: The Health Department have for years controlled the fund by recommendations to the Minister.

Hon. E. H. Gray: This is a new fund altogether.

Hon. J. M. MACFARLANE: What the department have done in past years they will do equally well as regards this fund. Special expenditure necessitated in a particular district by an epidemic could be immediately attended to, but the object of the Bill is to let each hospital stand on its own income. The matter should be dissociated from the Consolidated Revenue. If specific amounts are fixed here, the Minister will have to draw upon Consolidated Revenue in the event of epidemics.

Hon. G. Fraser: The amounts are left to the discretion of the Minister.

Hon. J. M. MACFARLANE: Then the position will be as unsatisfactory as it was in connection with traffic fees. The Minister for Health will receive from his department recommendations to retain sufficient funds to meet emergencies.

Hon. E. H. H. HALL: I wish to quote some expressions of opinion by the Minister for Health in a letter addressed to a country hospital board—

The general idea if the department is, after being satisfied that a hospital is worked with all reasonable economy, is doing its utmost to collect patients' fees, and is also doing nothing to discourage other revenue by way of subscriptions and donations, to provide additional subsidy which will meet the gap between the normal revenue and expenditure, so that in this way the cost of any additional patients that you may have to treat gratis, or any loss that you may make in the way of fees, will be made up by such additional subsidy.

Hon. E. H. HARRIS: The clauses which it is sought to amend are replicas of clauses brought here by Mr. Kitson in 1928. Mr. Gray suggests that the fund should be divided up on a basis of occupied beds. In the matter of occupied beds and out-patients there are vast differences between various hospitals. Some hospitals, covering large areas, have a greater proportion of out-patients. Unless we have statistics furnished to us on these points, we may arrive at a wrong decision. On Mr. Kitson's Bill Mr. Gray was silent as to this aspect, and so was Mr. Kitson himself. In the circumstances we would do well to leave the administration of the fund to the department, as proposed in two previous Bills.

Hon. W. H. KITSON: There is a considerable difference between the last Bill and this one. The last measure provided for distribution on a basis which this Chamber considered perfectly equitable—that each hospital should receive 6s. per day per patient from the hospital fund, the Government continuing to provide not less than £90,000 per annum. The present Bill simply provides that a tax of 1½d. in the pound shall be levied, and that very few people indeed shall be entitled to any benefit. It provides no basis of distribution, but merely directs in what channels the fund may be distributed. Accordingly I support Mr. Gray, and do not regard myself as inconsistent in doing so. If this Bill provided that hospitals should receive a certain rate per patient per day, the hospitals would know where they stood and contributors would receive benefits in return for their payments. I am still prepared to support what was proposed in 1928.

Hon. J. Nicholson: Would the total amount received by the Government be sufficient to enable the daily payment to be made?

Hon. W. H. KITSON: No.

Hon. J. Nicholson: In that case the proposal is impracticable.

Hon. W. H. KITSON: Instead of taking away the proceeds of the entertainments tax—now to be increased by £30,000—and paying the proceeds into Consolidated Revenue, I would let the hospitals have the full benefit of them. An increase in the income tax would be preferable to these tiddly-winking taxation Bills. I support the amendment.

Hon. Sir CHARLES NATHAN: The allocation under the amendment would be in accordance with the number of beds occupied. In view of the personal interest Mr. Gray has taken in the Fremantle Hospital, I am rather surprised that such an amendment should emanate from him. I have here the figures of the Perth Hospital, from which I find that in addition to the obligations imposed upon the institutions by persons occupying beds, it had in the year 1929-30 no less than 17,346 out-patients. I presume the Fremantle Hospital also had a large number of out-patients. Therefore a distribution on the basis of beds occupied seems to me inequitable as applied to the particular hospital in which Mr. Gray is so keenly interested.

The MINISTER FOR COUNTRY WATER SUPPLIES: In addition to what Sir Charles Nathan has mentioned, we are faced with the fact that hospital costs vary tremendously—between 6s. and 20s. per patient per day. What basis of distribution would meet all those divergent conditions, including out-patients? No scheme of allocation of particular amounts to various hospitals is practicable. I hope the amendment will not be carried.

Hon. E. H. GRAY: I am not an expert, but I have discussed this matter with officers of various hospitals, and they have assured me that they are concerned about the lack of a basis in the Bill regarding the distribution of the fund. I have been told that the basis I have proposed will suit the Fremantle Hospital at any rate, including the position of out-patients, and I contend that it will be applicable to country hospitals as well. It would be reasonable to divide the State into zones and provide allocations to meet circumstances. No one has suggested any better system. In the past, the distribution to hospitals has not been satisfactory. The Children's Hospital has not had a fair deal from any Government, but it would receive that under my amendment.

Amendment put, and a division taken with the following result:—

| | | | | |
|------------------|----|----|----|----|
| Ayes | .. | .. | .. | 6 |
| Noes | .. | .. | .. | 16 |
| Majority against | | | | 10 |

AYES.

| | |
|-------------------|----------------------|
| Hon. J. M. Drew | Hon. C. B. Williams |
| Hon. G. Fraser | Hon. C. H. Wittenoom |
| Hon. E. H. Gray | (Teller.) |
| Hon. W. H. Kitson | |

NOES.

| | |
|-----------------------|----------------------|
| Hon. F. W. Allsop | Hon. W. J. Mann |
| Hon. C. F. Baxter | Hon. G. W. Miles |
| Hon. J. T. Franklin | Hon. Sir C. Nathan |
| Hon. E. H. H. Hall | Hon. J. Nicholson |
| Hon. E. H. Harris | Hon. E. Rose |
| Hon. J. J. Holmes | Hon. H. Seddon |
| Hon. G. A. Kempton | Hon. H. Stewart |
| Hon. J. M. Macfarlane | Hon. Sir W. Lathlain |
| | (Teller.) |

Amendment thus negatived.

Clause put and passed.

Bill again reported with further amendments.

House adjourned at 10.22 p.m.